Defence Purchase Policy - 2008

503. SHRI JESUDASU SEELAM:
DR. T. SUBBARAMI REDDY:

Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that India is expected to by defence equipment and weapons system worth 30 billion dollars in the next five years;

(b) whether Government has unveiled its updated decision for procurement procedure for two years in May, 2008; and

(c) if so, what are main feature of the Defence Purchase Policy and to what extent it will be different from then at present and to what extent it will be more fair and to what extent it has been successful?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (c) No decision on the outlay of defence acquisition during Eleventh Five Year plan period has been taken.

While promulgating Defence Procurement Procedure (DPP) 2006, it was envisaged that review of the procurement procedure would be undertaken every two years. The DPP-2008 is the outcome of the experience and feedback gained in implementation of DPP-2006. DPP-2008 has come into effect from 1.9.2008. The revised procedure aims to strengthen the procurement framework by making it more transparent, impartial and accountable.

Some salient features of the DPP-2008 to ensure fairness/transparency in the procurement of defence equipment, *inter alia*, are as given below:

(i) Vendors have to be given advance information before the issue of Request for Proposal (RFP) in all procurement cases excepting those for security sensitive products. This information given on MOD website would provide them a lead time for preparation of their offers in response to the RFP.

(ii) All verbal communications with the vendors during the course of trials have to be confirmed in writing.

(iii) The result of technical/trial evaluations along with reason(s) for disqualifications has also to be intimated to vendors after the acceptance of technical/staff evaluation reports.

(iv) A trial methodology has to be given in the RFP for advance information of the vendors. Trial directive framed by the Services has to be issued in conformity with the trial methodology.

(v) A more broad-based and multi-disciplinary trial team has been proposed in DPP-2008 for cases where equipment is being procured for more than one Service or if it involves Transfer of Technology.

(vi) Technical Oversight Committee has also been mandated to provide oversight on the adopted trial methodology during trials *vis-a-vis* trial methodology given in the RFP and the trial directives.

Indo-US defence deal

504. DR. T. SUBBARAMI REDDY: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that India has signed its largest ever defence deal with the US for a whopping. $ 2.2 billion to fill a crucial gap in its maritime reconnaissance capability;

(b) if so, whether it has been decided not to accept any restrictions on the use of equipment purchases from foreign nations;

(c) the main features of the deal; and

(d) to what extent it has been helpful to Naval Force?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) No, Sir.

(b) Does not arise.

(c) and (d) A proposal for acquisition of maritime reconnaissance aircraft is currently under consideration. Aircraft proposed to be acquired would be helpful to the Navy in meeting their requirement for long range maritime surveillance.

Cost escalation of aircraft-carrier

505. DR. T. SUBBARAMI REDDY: Will the Minister of DEFENCE be pleased to state:

(a) whether Russian Government has proposed a price escalation of a staggering $ 1.2 billion for re-equipping aircraft carrier;

(b) if so, whether technical evaluation and negotiations in this regard are underway;

(c) whether the revision in time and cost for repairing the aircraft carriers due to growth of work the price escalation proposal by Russian side in $ 1,202 million;

(d) whether any final decision in this regard has been taken and whether any final deal has been finalized; and

(e) if so, the details thereof?

THE MINISTER OF DEFENCE (SHRI A.K. ANTONY): (a) to (e) The Russian side has submitted a revised Master Schedule indicating a delay and an increase in price for repair and re-equipping of ex-Admiral Gorshkov aircraft carrier. The price escalation proposed by the Russian side towards repair and re-equipping, spares and training, etc., is USD 1202 million. Only technical evaluation is underway and no cost negotiations have been initiated in this regard.

Status of WTO negotiations on agriculture

506. SHRI S. ANBALAGAN:
SHRI RAJKUMAR DHOOT:
Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the present status of World Trade Organisation (WTO) negotiations; and

(b) the steps being taken and proposed to be taken by Government to safeguard interests of low income and poor resource farmers of the country from the adverse decisions of WTO?